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STATEMENT BY STROM THURMOND, CANDIDATE FOR  
THE UNITED STATES SENATE AT CAMPAIGN MEETING  
AT CONWAY, S. C. ~~JUNE 22~~, 1950 ~~7~~ P.M.  
Georgetown June 23, 11 A.M.

ECONOMY

I want to talk with you today about economy  
in the federal government.

Over the years there has grown up in our state/  
the idea that if we got money from Washington it costs us  
nothing. Many years ago when the federal government was  
not so big and operated primarily on the income tax, and most  
of the taxes were paid in New York and the other large financial  
centers, there may have been some justification/for feeling  
that if we received federal money in South Carolina it was  
somebody else's money.

That day has passed. The taxes which are collected  
to run the federal government come from the pockets of the  
people of South Carolina/just as the taxes which are collected  
to run the state government.

Not only does the federal government tax big  
incomes/ but it taxes little incomes as well. Every worker  
has his wages clipped each week to keep the federal government  
going. Whenever you go to a ball game, see a moving picture show,  
buy five gallons of gasoline to take your family riding on Sunday,



buy a package of cigarettes or a bottle of hair tonic, you make a contribution to the federal government.

Now let me bring this tax burden home to you, and I want you to remember what I have to say/when you hear people going around making the statement -- let the federal government do it and it will cost us nothing.

In 1914, the federal government's internal revenue collections in South Carolina were \$236,138.92. It was not until the first world war that federal collections exceeded one million dollars. Today the federal government is taking from the people of South Carolina in taxes over 200 million a year.

In other words South Carolinians are paying to the U. S. Collector of Internal Revenue/twice as much to support the federal government as they are paying to support their state government. This does not include all the hidden federal taxes which are passed on to the consumer, such as \$500 when you buy an automobile.

So let us explode forever the theory that money which comes from Washington costs us nothing.

As Senator from South Carolina/I promise the people I will work for rigid economy in government. We must and will



provide adequately for the national defense/and we must not cripple our government in winning the cold war against communism and avoiding a shooting war. That would be false economy. Also we must and will take care of the veterans, especially those who are disabled as a result of war service/and the dependents of those who made the supreme sacrifice. We must, of course, take care of the interest on the national debt which has reached almost 300 billion<sup>dollars</sup>. The programs which the federal government has already established and are fitted into our state and national economy must be continued.

These Washington spenders will tell you that after you have taken care of the above/there is only a few billion dollars left with which to economize/and <sup>they say</sup> it is foolish to talk about balancing the budget. In this manner they seek to justify the Truman policy of deficit spending.

I tell you that there are ways the federal government can provide for the necessary and needed functions of the federal government/and bring about a balanced budget. It can be done by screening all expenditures to eliminate waste and extravagance, and by cutting out useless functions, removing from government payroll every non-essential employee.



Anyone who has visited Washington recently/  
knows that it is the biggest boom town in the world. The extra  
thousands of employees brought in for emergency war work/have  
arranged to get themselves affixed permanently to Uncle Sam's  
payroll, which is the best payroll in the world. There <sup>are</sup> ~~is~~ short  
hours of work, long vacations, and 30 days a year sick leave.

The bigger the bureau the more power of the  
bureaucrat. Therefore, the bureau head sits up nights trying to  
justify making his bureau bigger. With bigger and more bureaus/  
the departments and commissions have more power and prestige.  
It is a vicious circle and only a Congress absolutely independent  
of the executive branch of government/can stop this trend toward  
bigger government.

We already have 65 departments and commissions  
in the federal structure, employing 17 million people. One out  
of every nine persons you meet is on the federal payroll.

The federal government this year will spend six  
billion dollars more than it takes in. This deficit alone is  
more than fifty times the cost of running the entire state  
government of South Carolina. The federal government cannot go  
on borrowing more billions every year to meet its deficit.



Government is no different from a business. It must either live within its income or in the end it will go broke. If we cannot balance the budget of the federal government in these prosperous times /what would happen should we have a depression?

Until we get our federal financial house in order / it is asinine for anyone to talk about the federal government embarking on additional costly programs. Already taxpayers are working one day a week to pay their taxes to the federal government.

If Congress should carry out the Truman proposed programs, such as socialized medicine <sup>and</sup> building government steel plants, our taxpayers would have to work two days a week, and if the trend should continue, everybody would be working for the government as in Russia. To preserve our freedom /we must preserve our democratic form of government. We cannot preserve our democratic form of government /if we permit it to drift into bankruptcy and insolvency.

As Governor of South Carolina, I have seen to it that our State Government operated on a sound fiscal policy /and a balanced budget was maintained. As a member of the United States Senate /I will use my experience and my energy in putting the federal government's financial house in order /and put an end to the Truman



policy of deficit financing, and thereby preserve free government  
to those who come after us.